



Nova Scotia Department of Consumer Affairs

**Annual Report
for the year ended March 31, 1982**

5



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Contents

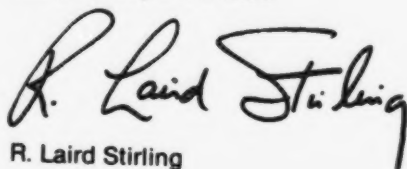
Letters of Transmittal	5
Organizational Chart	9
Acts Administered by the Department	11
General Summary	13
Administration	13
Amusements Regulation Division	14
Consumer Services Division	19
Credit Union Division	22
Rent Review Division	25
Residential Tenancies Division	28

The Honourable John E. Shaffner
Lieutenant Governor
Province of Nova Scotia

May it Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ended March 31, 1982.

Respectfully submitted

A handwritten signature in black ink, reading "R. Laird Stirling". The signature is written in a cursive style, with the first letter of each word being capitalized and prominent. The "R" is particularly large and loops around the "L". The "S" is also large and loops around the "T".

R. Laird Stirling

R. Laird Stirling

2

The Honourable R. Laird Stirling
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

Sir:

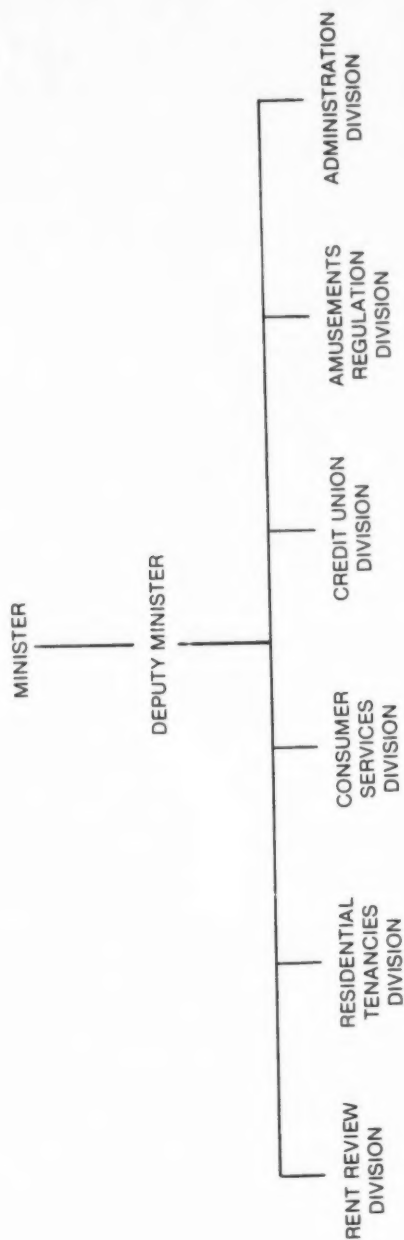
I take the pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1982.

Respectfully submitted

A handwritten signature in cursive script, reading "Cathy MacNutt". The signature is fluid and elegant, with a long horizontal stroke extending from the end of the name.

Cathy MacNutt

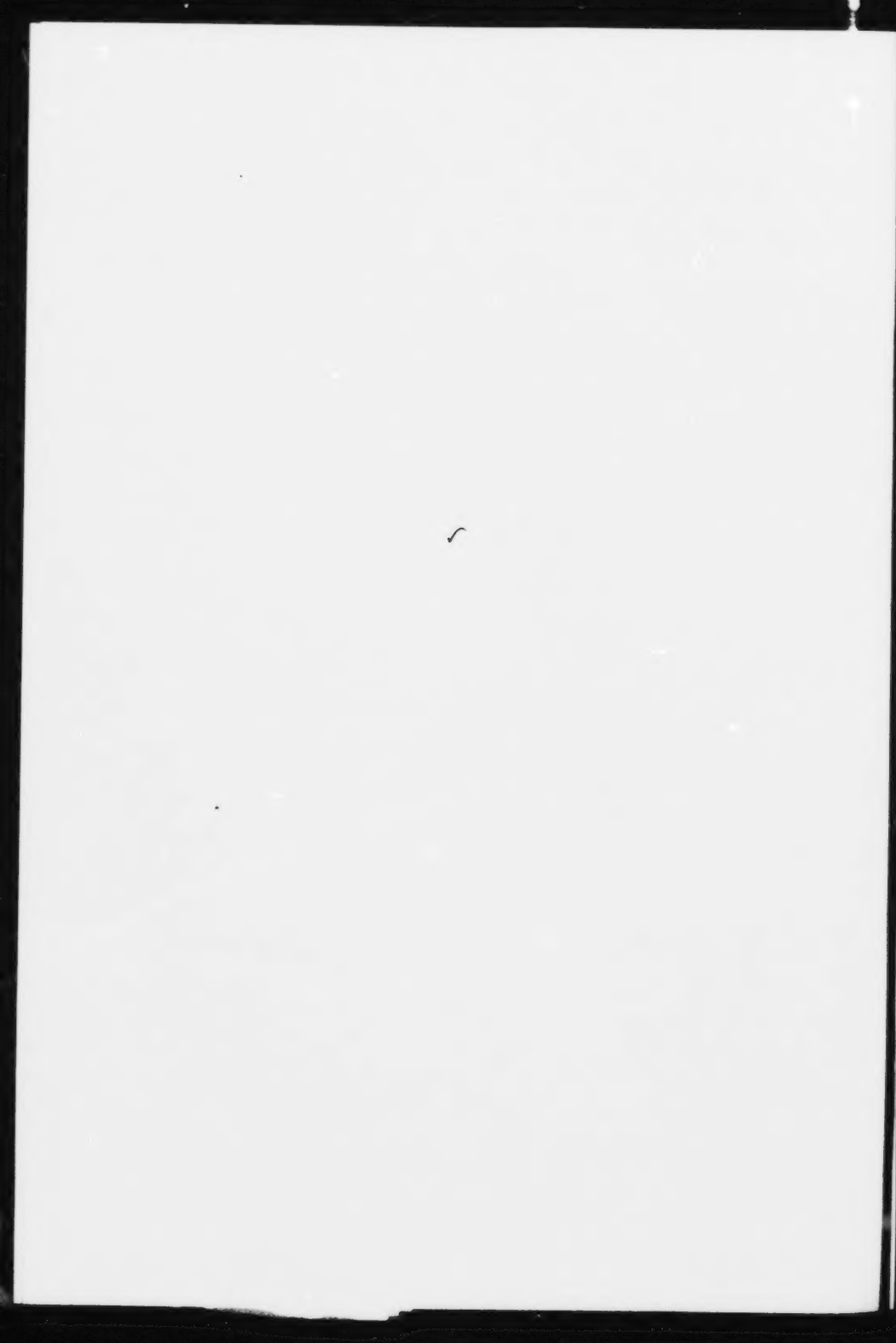
NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS





**ACTS ADMINISTERED BY THE DEPARTMENT
OF CONSUMER AFFAIRS**

- The Collection Agencies Act
- The Condominium Act
- The Consumer Creditors Conduct Act
- The Consumer Protection Act
- The Consumer Reporting Act
- The Consumer Services Act
- The Credit Union Act
- The Direct Sellers' Licensing and Regulation Act
- The Embalmers and Funeral Directors Act
- The Instalment Payment Contracts Act
- The Loan Companies Inspection Act
- The Mortgage Brokers and Lenders Registration Act
- Part X of the Bankruptcy Act (Federal)
- The Prearranged Funeral Services Act
- The Public Accountants Act
- The Real Estate Brokers' Licensing Act
- The Rent Review Act
- The Residential Tenancies Act
- The Tax Rebate Discounting Act (Federal)
- The Theatres and Amusements Act
- The Unconscionable Transactions Relief Act



General Summary

Established in 1975 as a separate department within the structure of the government of Nova Scotia, the Department of Consumer Affairs continued to expand its activities during 1981-82 in order to meet the increased frequency of requests for information and assistance from individuals and businesses.

The substantial increase in the activity of the Department indicates an awareness and a concern on the part of both individuals and the business community.

In many of the programs of the Department, it is this atmosphere of cooperative action which has assisted Nova Scotians in keeping pace with the marketplace in an effective way.

The Department is organized into six divisions in order to administer the 19 provincial and two federal statutes for which it has responsibility.

In addition to the main office in Halifax, a network of offices throughout the province broaden the service.

Administration

At the hub of the Department is the Administration Division which prepares and controls budgets, establishes economical utilization of staff, space and equipment, serves as the liaison with other government departments such as Government Services and the Civil Service Commission and provides a research and communications resource to its fellow divisions.

In December of 1981, responsibility for the administration of the Condominium Act was transferred to the department from the Nova Scotia Housing Commission. The Registrar of Condominiums reports directly to the Deputy Minister. During 1981-82, \$34,460 in revenue was generated representing four condominium corporations registered, 211 units and four commercial spaces.

Amusements Regulation Division

Overall attendance at places of amusement increased significantly in 1981-82. The overall taxable attendance was almost exactly at the same level as in the previous fiscal year.

Statistics of the division show that overall taxable attendance was only 5,000 persons less than that for the year 1980-81 — 6,020,386 compared to 6,025,973.

Substantial changes in regulations were implemented in July, 1981, broadening the base of exemption from taxation on admissions. Exemptions were extended to some local benefit fairs and exhibitions, rinks, recreational skating and other forms of amateur sports, and to amateur cultural activities. Provisions were made for religious, charitable, educational and community organizations hiring professional entertainment to apply for a tax exemption.

This new tax program was the result of a study by a task force comprised of members of several departments of government. More than one hundred written submissions were received and considered by the task force before the changes were recommended.

Inspections and licensing of places of amusement also increased during the year, specifically in licensing of dance halls (304) and issuance of dance permits (1,326).

The Amusements Regulation Board maintained continuous contact with similar organizations in the provinces and abroad in order to keep abreast of policies and trends in other jurisdictions. The Chairman, Mr. Don Trivett, was one of four Canadian representatives invited to participate in an International Conference of Film Classifiers early in 1982. This conference was organized by the British Board of Film Censors and included representatives from 42 nations.

Table 1
Revenue by Type
Fiscal Years 1980/81 and 1981/82

Type	1980/81	1981/82
Licenses	\$ 26,985	\$ 25,089
Screening Fees	27,396	27,553
Amusement Tax (Theatre)	1,045,269	998,576
Amusement Tax (Non-Theatre)	335,013	352,864
Amusement Tax (Touring Groups)	257,874	283,181
Share of pari-mutuel tax	600,654	464,510
TOTAL	\$2,293,191	\$2,151,573

Table II
Number of Films Screened
By Type of Classification

35 MM Films	1980/81	1981/82
General	20	35
Adult	109	106
Restricted	116	108
Rejected	2	7
TOTAL	247	256
 16 MM Films	 1980/81	 1981/82
General	27	2
Adult	18	17
Restricted	7	10
Rejected	0	0
TOTAL	52	29

Table III
Origin of Films Classified
April 1, 1981 to March 31, 1982

Country	Number
United States	173
Britain	17
Canada	15
France	5
Italy	5
Germany	5
Japan	5
Russia	4
Greece	3
Austria	2
China	1
Other	21
TOTAL	256

Table IV
Number of Licenses Issued, 1980/81 to 1981/82

	1980/81	1981/82
Films and Theatres		
Theatres	68	66
Projectionists	126	134
Apprentice Projectionists	40	41
Projection Machines	119	123
Film Exchanges (35MM)	18	17
Film Exchanges (16MM)	9	10
Film Certificates	1,210	1,017
Other Licenses Issued		
Itinerant	10	8
Rinks	63	63
Race Tracks (Horse)	4	4
Race Tracks (Stock Car)	5	3
Dance Halls	278	304
Dance Permits	1,029	1,326
Billiards, Pool and Bowling (Locations)	79	84
Pool Tables	220	298
Bowling Lanes	466	432
Miniature Golf	4	4
Go-Cart Tracks	15	10
Museums	3	5
Carnival Rides	59	69
Circuses	—	1
Festivals (Outdoor)	11	14

Table V
Attendance
By Type of Event

	1980/81	1981/82
Theatres (movie and live)	3,215,531	3,065,497
Itinerant Shows	956,182	1,024,650
Hockey and Skating*	1,380,227	680,826
Football, Basketball, Baseball*	71,613	
Boxing, Wrestling and other		
Professional Sports*	108,194	357,214
Horse Racing	94,373	101,321
Sundry Amusements* (such as stock car, go-cart, roller skating...etc.)	199,853	790,878
TOTAL	6,025,973	6,020,386

* Variances in totals in these categories are brought about by a change in tabulation methods in keeping with exemption policies implemented during the 1981/82 fiscal year.

Consumer Services Division

The Consumer Services Division continues to be one of the Department's most active and diversified divisions. Its base reaches back to 1965 when the Office of the Registrar of Credit was established. It was the first such office in Canada.

Sixteen years later, what was then an embryo has become a catalyst for consumer and business oriented relationships.

The Division is segregated into three sections: business practices, debtor assistance and regulated industries.

The Business Practices Section processed 16,383 consumer complaints and inquiries in the fiscal year 1981-1982, compared to a previous year total of 14,000. Both telephone and personal interviews, lectures and other public education measures substantially increase the stated involvement for this section. For example, almost 200 public speaking engagements were made during the year.

The Debtor Assistance Section, where demands have substantially increased, provided financial counselling to 2,296 households and in addition, administered the financial affairs of another 888 through Consolidation Orders under the Federal Bankruptcy Act.

There were 347 consolidation orders issued and there were 354 referrals to bankruptcy.

Steps to facilitate the debtor's assistance consolidation process have been taken with the establishment of a rapid mini-computer accounting and information system.

The Regulated Industries Section processed 5,593 licenses in the fiscal year and another 727 applicants were examined as part of their qualification for licensing. This licensing process extends to the real estate and the mortgage brokers' industries, to collection agencies and consumer reporting companies and to direct sellers and their salesmen.

On-going communication is maintained with all regulated industries, other levels of government, the media as well as the public.

Thirteen investigations, some involving other agencies, were conducted and resulted in a variety of remedial actions being taken to the satisfaction of the parties involved.

One new piece of legislation, the Consumer Creditors Conduct Act, came into effect June, 1981. This Act is non-regulatory in that it does not require licensing, bonding or special filing requirements. It sets out a list of prohibited collection practices.

Experience in the first year of this Act indicates that it has not caused any hardship on legitimate lenders because it has regularized activities which were consistent with the policies of the majority of the province's credit grantors.

Retrospect: Last year's annual report referred to action with respect to companies Pine King/Stormgard which would conclude in the current fiscal year.

There were 180 claims filed with the department and bonds filed totalled \$40,000. Stormgard customers (148) claimed a total of \$11,180; 32 Pine King customers claimed \$107,924. Yield from the bonds during the three-year waiting period was \$51,691. Stormgard customers received 100 cents on the dollar, and Pine King customers received 37.5 cents on the dollar.

**Percentage of Complaints by Type,
April 1, 1981 to March 31, 1982**

Type	Per Cent
Consumer Goods and Services	43
Automobiles	16
Contractors	8
Appliances	7
Direct Sellers	6
Collection Agencies	5
Mail Orders	5
Other	10
TOTAL	100%

Debtor Assistance Statistics
April 1, 1981 to March 31, 1982

Interviews	2,296
Consolidation Orders Issued	347
Referrals to Bankruptcy	354
Consolidation Orders in Effect	888

Divisional Offices

Main Office	Sub-Office	Region Served
Halifax		Halifax, Lunenburg, Queens and Shelburne Counties, and East Hants
Kentville		West Hants, Kings, Annapolis, Digby and Yarmouth Counties
New Glasgow	Truro	Pictou and Colchester Counties
Springhill	Amherst	Cumberland County
Port Hawkesbury		Richmond and Inverness Counties
	Antigonish	Antigonish and Guysborough Counties
Sydney		Cape Breton and Victoria Counties

Credit Union Division

Touching on the economic lives of more than 150,000 Nova Scotians, one of our province's oldest and best known institutions, the Credit Union movement is provided with inspection and advice or assistance on a year-round basis by the Credit Union Division.

Inspections are provided through the department on either a requested or an ad hoc basis in order to provide an independent audit service to Credit Union members.

One hundred and thirteen credit unions operated in the province the 1981 calendar year, with a membership of 158,846 and combined assets of \$199,531,559.

The inspection division works in close cooperation with the Credit Union Central of Nova Scotia (formerly the Nova Scotia Credit Union League) and the Nova Scotia Credit Union Stabilization Fund Board.

Three charters were cancelled during the year through amalgamation:

- Enfield Community Credit Union amalgamated with Tidal Credit Union;
- Caledonia Credit Union amalgamated with the Glace Bay Central Credit Union;
- Westwood Credit Union of Halifax County amalgamated with Dartmouth Community Credit Union.

There were two name changes:

- Cheticamp Credit Union became Caisse Populaire de Cheticamp;
- Saulnierville Credit Union became Caisse Populaire de Saulnierville.

**Credit Union Totals by Number and
Membership at December 31, 1981**

County	Number of Credit Unions	Membership	Percentage of Total Membership by County
Annapolis	3	1,559	1.0
Antigonish	5	17,833	11.2
Cape Breton	13	32,899	20.7
Colchester	6	2,744	1.7
Cumberland	3	3,798	2.4
Digby	5	3,041	1.9
Guysborough	6	1,391	0.9
Halifax	31	52,564	33.1
Hants	6	7,875	5.0
Inverness	8	11,292	7.1
Kings	4	6,025	3.8
Lunenburg	2	2,789	1.8
Pictou	3	2,289	1.4
Queens	2	758	0.5
Richmond	7	7,504	4.7
Victoria	3	682	0.4
Yarmouth	6	3,803	2.4
TOTAL	113	158,846	100.0%

**Consolidated Balance Sheet
(All Credit Unions)**

January 1, 1981 to December 31, 1981

Assets		Liabilities	
Cash	\$ 11,851,535	Shares	\$ 75,947,420
League Deposits	20,610,904	Deposits	107,047,411
League Shares	2,635,130	Borrowings	5,736,446
Investments	4,907,475	Reserves	3,291,756
Loans	152,621,668	Guaranty Fund	4,483,345
Land & Building	2,901,150	Accounts Payable	5,750,627
Furniture &		Other Liabilities	2,043,812
Equipment	1,527,926	Undivided Surplus	4,769,258
Other	2,475,771		
TOTAL	<u>\$199,531,559</u>	TOTAL	<u>\$199,531,559</u>

**Operating Year 1981 Compared to
the Years 1936 (Base Year) and 1980**

	1936	1980	1981
Credit Unions Operating	71	116	113
Total Membership	12,178	163,502	158,846
Total share capital (\$)	244,478	82,220,072	75,947,420
Total deposits (\$)	3,000	105,737,958	107,047,411
Total loaned during year (\$)	374,924	114,338,785	111,187,532
Total assets (\$)	269,045	203,494,166	199,531,559
Total guaranty fund (\$)	52,000	4,326,225	4,483,345

Purpose of Loans During the Year

	Cash		Mortgage	
	Number	Amount (dollars)	Number	Amount (dollars)
Consolidation of debts	8,332	\$ 17,118,405.02	45	\$ 376,606.09
Auto repairs and purchases	12,836	35,668,355.06	5	20,041.00
Insurance premiums	2,127	754,135.54		
To make investments	998	2,765,301.50		
Education	560	555,734.73		
Medical and dental	683	364,943.02		
Taxes	831	620,701.72	3	14,000.00
Holidays	2,819	2,397,115.13		
Home repairs and renovations	8,243	14,001,752.70	28	328,209.06
Purchase of Real Estate:				
New housing	157	1,166,700.10	184	2,269,170.80
Used housing	264	1,778,747.53	18	142,737.48
Farm -	7	52,910.00		
Other	257	1,269,137.73	4	26,700.00
Purchase of Equipment:				
Household	2,041	2,515,022.42		
Farm	220	503,942.84		
Fishermen	128	282,117.88		
Other	672	1,192,011.46		
Operating Expenses:				
Household	1,564	933,904.97		
Farm	80	194,102.00		
Fishermen	47	80,091.26		
Other	1,326	1,330,249.56		
Other loans	26,460	21,858,710.59	2	6,189.80
TOTAL	70,652	\$108,003,877.65	289	\$3,183,654.23

Rent Review Division

The 1981-1982 fiscal year was the sixth full year of the rent review program. The number of rent increases filed with the division for the calendar year 1981 was 31,553. In 1981, 62 per cent of the requests were in excess of four per cent as compared to 45 per cent in 1980.

To alleviate the backlog in applications received for the 1982 calendar year, as well as conclude 1981 reviews, a reassessment of staffing needs was recommended and implemented in September, 1981. This review increased the number of clerical support positions and Residential Tenancy Officers required to process and to render decisions on applications.

This move was intended to enhance the turnaround time of decisions especially during the early part of the calendar year when the majority of requests are received. The result was that the bulk of applications were processed and reviewed by March 31, 1982.

The number of officer decisions appealed to the Commission in 1981 was 533 as opposed to 216 in 1980, the preceding year. During this year, the Commission held 486 hearings and carried forward 78 requests into 1982. During the year, six additional Rent Review Commission members were appointed, creating more regional representation and correspondingly reducing travel costs for the Commission.

In early 1982, a Director of Rent Review was appointed. This appointment allowed for the separation of the responsibilities of the day-to-day administration of the rent review program and the appeal body, which is the Rent Review Commission.

The Director is responsible for the staff employed in the division, the planning and recommendation of operation requirements and dealing with the general public.

The Chairman schedules and chairs the Rent Review Commission hearings which are held each evening, Monday through Thursday. This also frees up time for the Chairman to be available to discuss with individuals questions that may arise from Commission decisions.

The impact of high interest rates and rapidly increasing general

operating costs, particularly fuel costs, was apparent in reviews conducted in this period. The operating policies of the division were fine-tuned to deal reasonably with these inflationary pressures in relation to the purpose of the statute.

Throughout the year, a number of meetings were held and representations were received from various members of the investment property owners and the tenant community.

**Total Number of Applications Received for
Calendar Years 1980 and 1981**

	1980	%	1981	%
Over 4% guideline	13,683	45%	19,493	62%
Under 4% guideline	16,699	55%	12,060	38%
TOTAL	30,382	100%	31,553	100%

**Comparison of Applications Received for
Calendar Year Periods 1980 and 1981**

	1980	1981	% Increase
Total Applications	30,382	31,553	3.9%
Over 4% guideline	13,683	19,493	42.5%
Under 4% guideline	16,699	12,060	-27.8%
Decisions Rendered by Residential Tenancies Officers	1,274	1,523	20.0%
Number of Requests for Review to Rent Review Commission	216	533	147.0%
Percentage of Officer Decisions Reviewed Upon Appeal to Rent Review Commission	17%	35%	

Number of Applications Received by Major Areas* 1981
(includes those within 4% guideline)

Halifax	24,150
Truro	2,441
Sydney	1,308
Kentville	1,814
Bridgewater	968
Yarmouth	872
TOTAL	<u>31,553</u>

*Area includes municipalities and counties surrounding defined centres.

Residential Tenancies Division

The Residential Tenancies Act establishes guidelines, rights and remedies for landlords and tenants with respect to rented residential premises. Disputes between landlords and tenants are made by a written complaint and assigned to a Residential Tenancy Officer for mediation. In those cases where mediation is not successful, the matter may be referred to a Residential Tenancies Board for decision.

The Director of Landlord/Tenant Relations is responsible for the day-to-day administration of the division and co-ordinates the activities of the eight appointed Residential Tenancies Boards.

In a decision dated November 20, 1981, the Appeals Division of the Supreme Court of Nova Scotia ruled that Sections 11(3)(c) to 11(3)(i) inclusive of the Act were *ultra vires* in that they contravened Section 96 of the British North American Act. In other words, the provincially appointed Boards did not have the jurisdiction to decide on matters that traditionally were within the mandate of the federal court system. This decision has been appealed to the Supreme Court of Canada.

The effect of this decision was to restrict the Boards' powers, preventing them from deciding on the disposition of security deposits, to accepting rents in trust, granting vacant possession to a landlord and terminating tenancies. The public had no other alternative but to resort to the County Court to settle their disputes. The restrictions placed on the Boards by the Nova Scotia Supreme Court's decision resulted in an increased emphasis being placed on the mediation process by the division's staff in order to restore the level of service extended to the public prior to November.

An improved statistical reporting system was commenced in December and each Board office's mediation performance was evaluated monthly.

During the calendar year 1981, a total of 3,951 written complaints were received by all Boards. This total represents a 12 per cent increase over the same period in 1980. Fifty-four per cent were mediated by Residential Tenancies Officers and 46 per cent of the complaints were referred to the Boards for decisions. In 1981, there was an even distribution of complaints initiated by landlords and tenants.

**Residential Tenancies Boards
and Number of Rental Units**

Board	Jurisdiction	Number of Rental Units Based On Census	
		1976	1981
Cape Breton and Victoria Counties	Cape Breton County	6,580	7,855
	Victoria County	320	315
	Sub-Total	6,900	8,170
Strait and Eastern Counties	Inverness County	800	960
	Richmond County	300	380
	Antigonish County	775	960
	Guysborough County	385	430
	Sub-Total	2,260	2,730
Northern Counties	Colchester County	3,130	3,785
	Cumberland County	2,280	2,375
	Pictou County	3,015	3,445
	East Hants Municipality	300	339
	Sub-Total	8,725	9,944
Halifax and County West	Halifax and County	24,430	28,053
Dartmouth and County East	Dartmouth and County East	12,115	14,027
Western Counties	Yarmouth County	1,725	1,930
	Shelburne County	730	805
	Digby County	850	1,145
	Sub-Total	3,305	3,880
Annapolis Valley	Annapolis County	1,310	1,495
	Kings County	4,120	4,835
	West Hants Municipality	1,185	1,341
	Sub-Total	6,615	7,671

continued

Board	Jurisdiction	Number of Rental Units Based On Census	
		1976	1981
South Shore	Lunenburg County	2,155	2,775
	Queens County	535	630
	Sub-Total	2,690	3,405
	TOTAL	67,040	77,880

**Activity Breakdown
by Residential Tenancies Board
Calendar Year 1981**

Residential Tenancies Board	Number of Complaints	% of Total
Halifax and County West	1,777	45
Dartmouth and County East	869	22
Northern Counties	355	9
Annapolis Valley	276	7
Cape Breton and Victoria Counties	276	7
Western Counties	238	6
Strait and Eastern Counties	80	2
South Shore	80	2
TOTAL	3,951	100

**Complaints by Type, Number,
Per Cent of Total
Calendar Years 1980 and 1981**

Type of Complaint	1980		1981	
	Number	% of Total	Number	% of Total
Unpaid rent	1,304	37	1,411	36
Incompatibility	147	4	158	4
Condition of Premises	386	11	567	14
Security Deposit	511	14	554	14
Deletion of service	251	7	180	4
Compensation	60	2	116	3
Damages	204	6	199	5
Notice to Quit	225	6	365	9
Rent rebate	72	2	104	3
Other	373	11	297	8
TOTAL	3,533	100	3,951	100